GOVERNMENT OF GUAM OFFICE OF THE GOVERNOR AGANA, GUAM

EXECUTIVE ORDER NO. 78-4

ENERGY EFFICIENT PROCUREMENT PRACTICES FOR THE GOVERNMENT OF GUAM

WHEREAS, P.L. 94-163, the Energy Policy and Conservation Act and P.L. 94-385, the Energy Conservation and Production Act have become National policy; and

WHEREAS, each Public Law has the objective of reducing energy consumption on a National scale; and

WHEREAS, an important goal for Guam is to achieve a reduction in energy consumption of 5% of that energy projected to be consumed in the year 1980, in accordance with Federal Guidelines established by P.L. 94-163 and P.L. 94-385; and

WHEREAS, one means of accomplishing part of the proscribed reduction is through an Energy Efficient Procurement Practices Program Measure; and

WHEREAS, Government of Guam procurement personnel have had an opportunity for training in a workshop conducted by the Guam Energy Office to apprise and instruct them in methods of application of energy saving criteria and standards to energy consuming equipment purchased for use by the Government of Guam; and

WHEREAS, tentative applicable standards are outlined in the Guam (State) Energy Conservation Plan which are useful guidelines for procurement officers and buyers, (a copy of which are attached); and

WHEREAS, it is a requirement that Energy Efficient Procurement Practices and Standards be in place and ready for implementation on or before March 31, 1978;

NOW, THEREFORE, I, RICARDO J. BORDALLO, Governor of Guam, by virtue of the authority vested in me by the Organic of Guam as amended, do hereby direct that all energy consuming equipment purchased for use by the Government of Guam, shall be subject to the following considerations and actions:

- 1. No procurement agent shall initiate procurement action for energy consuming equipment for use by the Government of Guam (such as air conditioners, refrigeration equipment, automobiles, pick-up trucks, large trucks, vans, buses, and the like), without a complete energy justification from the requesting agency. Such justification shall include but not be limited to:
 - a) A statement of size, usage, or other category of usage or need as usually understood by that term.
 - b) A calculation showing the manner in which lifecycle costs were determined for the proposed acquisition.
 - c) A statement showing how energy efficiency criteria were utilized in selecting the equipment.
 - A statement that the proposed purchases meet

 Energy Efficiency Standards no less stringent than
 those currently in effect, such as the 1978 U.S.

 Environmental Protection Agency Gas Mileage Guide
 for Vehicles, or U.S. Department of Energy AHAM
 Energy Efficiency Ratio Standards for such purchases,
 or similar standard guidelines as may be made
 available or amendments thereto.
 - e) In any case, procurement agents shall certify that
 every effort has been made to apply energy conservation
 criteria in all such purchases. (See attached
 Guidelines).
- 2. Energy Efficiency Ratios: All energy consuming equipment shall be selected upon the basis of specifications which include Energy Efficiency Ratios, such information being supplied by the appropriate industry certification document which accompanies such equipment (such as AHAM/EPA, etc.).
- 3. <u>Life-Cycle Costs</u>: Data from which the Life-Cycle Costs of all energy consuming equipment may be calculated shall be made available to procurement officials by suppliers or manufacturers of such equipment.

4. Awarding of Bids: Awarding of bids for energy consuming equipment shall be made to suppliers on the basis of the above criteria in addition to initial cost, where the EER and LCC reflect energy and cost savings over the life of the equipment, shall be the final deciding point.

Directors of all Government of Guam agencies, including the autonomous agencies, shall ascertain that the above procedures are in force and applied to purchases and purchasing practices subsequent to the effective date of this Executive Order.

Signed and promulgated at Agana, Guam, this 9th day of March, 1978.

RICARDO J. BORDALLO Governor of Guam

COUNTERSIGNED:

Lieutenant Governor of Guam

GOVERNMENT OF GUAM PROCUREMENT PRACTICES

- 1. The current 1978 Energy Efficiency Standards for air conditioners and other refrigeration equipment are those incorporated in the American Home Appliance Manufacturers (AHAM) publications relating to such equipment.
- 2. The current 1978 Energy Efficiency Standards for vehicles of all types shall be the Environmental Protection Agency Gas Mileage Guide.
- Air Conditioners: The present AHAM Energy Efficiency
 Ratios (EER) range from 5.4 to 11.0. EER values have
 proven reliable criteria upon which to base procurement
 decisions, in preference to the simple 'low-dollar'
 valuation of many current bids. To take advantage of
 EER values, the following formula is used:

EXAMPLE:

- A. Air Conditioner "A" Supplier's Bid Price \$500 EER 7.5., years (2), operational cost \$350/2 years (very optimistic).
 - $\frac{$500}{7.5}$ X (operational costs/2 years) $$350 = \frac{23,333}{}$
- B. Air Conditioner "B" Supplier's Bid Price \$500

 EER 9.5, years (2), operational

 cost \$250/2 years (very optimistic).
 - $\frac{$500}{9.5}$ X (operational costs/2 years) $$250 = \underline{13,158}$

Taking into account the reduced costs for the higher EER, Air Conditioner "B" is the better buy, and gets the bid. Even if Air Conditioner "A" cost only \$400, "B" is still the better buy.

<u>Vehicles</u>: The current 1978 Environmental Protection

Agency (EPA) Gas Mileage Guide shall be the official

guide for determining gas mileage for Government of

Guam vehicles of all kinds. In addition to pricing

information, the following formula shall be used which

takes into account the factors of total estimated mileage and the price per gallon of gasoline:

Calculation of Total Bid Price: (TBP)

Basic Formula: $\frac{\text{Total miles driven}}{\text{EPA Rating}}$ X price/gal. of gas

Example:

A. Vehicle "A" (EPA Rating 41 MPG)

$$\frac{70,000 \text{ miles}}{\$4,304.76}$$
 X .65¢/gal. + \$3,195 =

B. Vehicle "B" (EPA Rating 34 MPG)

$$\frac{70,000 \text{ miles}}{\$4,533.24}$$
 X .65¢/gal. + \$3,195 =

The difference of \$288.48 in favor of Vehicle "A" with the better EPA Rating, results in a saving of nearly a year's fuel costs.

Where such formulas are not available to procurement personnel, as required by Section (la) of Executive Order No. ______, the supplier shall provide the calculation, showing all computations. When such formulas are available from the Public Procurement Research Foundation, Inc., of the National Association of State Purchasing Officials, P. O. Box 11910, Iron Works Pike, Lexington, Kentucky 40511, they shall be incorporated into these guidelines, and made applicable to all purchases of energy consuming equipment.